

## Illegal Entity (MEWA) Warning Tips

- Beware if a licensed insurance agent attempts to sell you health coverage that claims to be an ERISA plan.
- Be skeptical if premiums seem low, compared to other plans; or if the plan offers coverage without a pre-existing clause. If a plan seems too good to be true, it probably is!
- Investigate offers that avoid the word “insurance” or the use of insurance terminology.
- Watch out for terms like “consultant fees” (instead of commissions) and those terms that refer to payments as “contributions.”
- Be skeptical if companies fail to disclose the name of a carrier for products they claim to be “fully-insured” or “fully-funded.”
- Investigate a company if enrollees are required to join and pay dues to an “association” to obtain health coverage.

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